

A bill for an act
relating to energy; providing direction for the use of federal stimulus money
for energy programs; appropriating money; proposing coding for new law in
Minnesota Statutes, chapter 216C.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations made in this act.

<u>Weatherization Assistance Program</u>	\$	<u>131,937,000</u>
<u>State Energy Program</u>		<u>54,172,000</u>
<u>Energy Efficiency and Conservation Block Grants</u>		<u>10,644,000</u>
<u>Federal Fund Total</u>	\$	<u>196,753,000</u>

Sec. 2. **APPROPRIATIONS OF FEDERAL STIMULUS MONEY FOR ENERGY.**

The sums shown in the columns marked "Appropriations" are appropriated to the
commissioner of commerce for the purposes specified in this act. The appropriations
are from the federal fund from federal stimulus money allocated to the state under the
American Recovery and Reinvestment Act of 2009, Public Law 111-5, for:

- (1) the Weatherization Assistance Program authorized under part A of title IV of the
Energy Conservation and Production Act, United States Code, title 42, section 6861, et
seq.;
- (2) the State Energy Program authorized under part D of title III of the Energy Policy
and Conservation Act, United States Code, title 42, section 6321, et seq.; and

(3) energy efficiency and conservation block grants authorized under subtitle E of title V of the Energy Independence and Security Act of 2007, United States Code, title 42, section 17151 et seq.

The appropriations are available until spent.

APPROPRIATIONS

Sec. 3. COMMISSIONER OF COMMERCE

Subdivision 1. Total Appropriation \$ 196,753,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Weatherization Assistance Program 131,937,000

(a) To continue the low-income weatherization assistance program under Minnesota Statutes, section 216C.264.

(b) Past providers of weatherization services must be fully used based on their capacity as determined by the commissioner of commerce for stimulus-funded activity before additional providers of weatherization services are added. The commissioner shall develop programs that include shelters, as defined in the Code of Federal Regulations, title 10, section 440.3, and rental units. The commissioner shall develop procedures to streamline participation of low-income rental units in the programs. Programs that include solar heat through the Renewable Energy Equipment Program are eligible for grants. The commissioner shall give priority to high-consumption households and to serving the largest number of new weatherization clients and the greatest number of homes possible.

3.1 (c) The commissioner must use a variety of
3.2 strategies to fund weatherization with federal
3.3 stimulus money.

3.4 (d) To further address neighborhood
3.5 saturation in areas affected by foreclosure,
3.6 the commissioner must apply for a waiver
3.7 or otherwise seek authority from the United
3.8 States Department of Energy to use money for
3.9 weatherization services for abandoned and
3.10 foreclosed homes and residential properties
3.11 acquired and rehabilitated with money
3.12 provided through the federal Neighborhood
3.13 Stabilization Program, provided the home
3.14 becomes occupied by a resident who meets
3.15 the federal eligibility requirements.

3.16 Subd. 3. **State Energy Program**

3.17 (a) **Residential Energy** 13,500,000

3.18 For transfer to the Minnesota Housing
3.19 Finance Agency. The Minnesota Housing
3.20 Finance Agency shall develop and implement
3.21 a residential energy program to fund an
3.22 energy-efficient loan product using the lender
3.23 network of the Minnesota Housing Finance
3.24 Agency. Loan items must include energy
3.25 efficiency improvements recommended
3.26 by an energy auditor certified by the
3.27 commissioner of commerce. Energy
3.28 efficiency improvements include, but are
3.29 not limited to, heating system replacements,
3.30 air-to-air heat exchangers, attic air sealing
3.31 and insulation, wall insulation, water heating
3.32 system replacements, air conditioning
3.33 system replacements, window repair
3.34 and replacement, and electric appliance
3.35 replacements.

4.1 The commissioner must use a variety of
4.2 strategies for residential energy programs
4.3 funded with federal stimulus money,
4.4 including without limitation:
4.5 (1) neighborhood saturation on a
4.6 multiprogram basis, including without
4.7 limitation, outreach to homeowners eligible
4.8 for residential energy programs, utility
4.9 conservation programs, weatherization
4.10 programs, and state and local government
4.11 energy programs; and
4.12 (2) a quick-fix component that provides
4.13 a lower level of energy-efficiency
4.14 improvements to a larger number
4.15 of residences at a lower cost than a
4.16 more comprehensive energy-efficiency
4.17 improvement package.
4.18 A portion of this appropriation may be
4.19 used for direct rebates. Stimulus money
4.20 may not be used to pay more than 25
4.21 percent of the total project cost, with the
4.22 balance provided by the property owner,
4.23 utility-funded conservation investment
4.24 programs, financing from the Minnesota
4.25 Housing Finance Agency, local lenders, or
4.26 another housing-related program.
4.27 A contract for window repairs or replacement
4.28 or related services to be paid from grant
4.29 money provided under this paragraph
4.30 must be awarded to the best value bidder
4.31 that has its principal place of business in
4.32 this state or that uses a majority of parts
4.33 manufactured or produced in this state in the
4.34 assembly of a final product, unless the local
4.35 government grantee determines that it would

5.1 be inconsistent with the public interest, the
5.2 cost would be unreasonable, or the products
5.3 or materials of the class or kind to be used are
5.4 not produced or manufactured in this state in
5.5 commercial quantities and of a satisfactory
5.6 quality.

5.7 (b) Innovative Residential Energy Efficiency 1,500,000

5.8 For an innovative residential energy
5.9 efficiency program for the city of Duluth
5.10 that must use funding from the state energy
5.11 program, local government, weatherization
5.12 program, utility conservation improvement
5.13 program, and private nonprofit sources. This
5.14 appropriation must be matched \$1 for every
5.15 \$4 of the appropriation and is available to
5.16 the extent of the match. The program must
5.17 include the following elements:

5.18 (1) performance-based provision of basic
5.19 energy conservation measures, such as
5.20 air-sealing;

5.21 (2) an environmental and carbon footprint
5.22 awareness campaign;

5.23 (3) a beyond-the-basics component of
5.24 additional and more comprehensive energy
5.25 conservation measures including, without
5.26 limitation, deep energy retrofits and appliance
5.27 upgrades;

5.28 (4) a plan to use revolving loan funds so that
5.29 the program is sustainable over time;

5.30 (5) innovative financing options allowing
5.31 residents to finance improvements at least in
5.32 part with energy savings; and

5.33 (6) measurement and assessment of program
5.34 effectiveness and energy savings.

6.1	<u>(c) School District and Local Government</u>	
6.2	<u>Renewable Energy</u>	<u>10,000,000</u>
6.3	<u>For the school district and local government</u>	
6.4	<u>renewable energy grant program established</u>	
6.5	<u>in Minnesota Statutes, section 216C.147, if</u>	
6.6	<u>2009 Senate File 1006 or 2009 House File</u>	
6.7	<u>1553 is enacted. Before entering into a power</u>	
6.8	<u>purchase agreement for wind energy projects</u>	
6.9	<u>exceeding 60 megawatts, the purchasing</u>	
6.10	<u>utility shall contact school district and local</u>	
6.11	<u>government entities in the county where the</u>	
6.12	<u>project will be located to determine whether</u>	
6.13	<u>the school district or local government wants</u>	
6.14	<u>to partner with the wind developer and utility</u>	
6.15	<u>for a publicly owned wind project of 3.3</u>	
6.16	<u>megawatts or smaller.</u>	
6.17	<u>(d) Former School Building Energy Conversion</u>	<u>100,000</u>
6.18	<u>For a grant to the city of Kennedy for</u>	
6.19	<u>the energy conversion of a former school</u>	
6.20	<u>building to use geothermal, wind, and solar</u>	
6.21	<u>energy and to house the Go Green Business</u>	
6.22	<u>Center.</u>	
6.23	<u>(e) Renewable Electric Generation Facilities</u>	<u>250,000</u>
6.24	<u>For grants to owners of qualifying renewable</u>	
6.25	<u>electric generation facilities. A "qualifying</u>	
6.26	<u>facility" means an electric facility that meets</u>	
6.27	<u>the specifications of Minnesota Statutes,</u>	
6.28	<u>section 216B.164, subdivision 3, paragraph</u>	
6.29	<u>(a), and that generates electricity from a</u>	
6.30	<u>renewable energy source. "Renewable</u>	
6.31	<u>energy source" means:</u>	
6.32	<u>(1) solar;</u>	
6.33	<u>(2) wind;</u>	
6.34	<u>(3) hydroelectric;</u>	

7.1 (4) hydrogen, provided that after January 1,
7.2 2010, the hydrogen must be generated from
7.3 the resources listed in this paragraph; or

7.4 (5) biomass, which includes, without
7.5 limitation, landfill gas; an anaerobic
7.6 digester system; biomass gasification;
7.7 the predominantly organic components
7.8 of wastewater effluent, sludge, or related
7.9 by-products from publicly owned treatment
7.10 works, but not including incineration of
7.11 wastewater sludge to produce electricity.

7.12 Grants may be awarded, in order of receipt
7.13 of a completed application, for the lesser
7.14 of \$2,500 or 35 percent of the cost of the
7.15 facility, including installation.

7.16 **(f) Commercial and Industrial Energy**
7.17 **Efficiency**

7,000,000

7.18 For grants to local government units and
7.19 a port authority created under Minnesota
7.20 Statutes, section 469.084, to develop and
7.21 implement a program to provide for the
7.22 design, financing, and installation of energy
7.23 efficiency improvements in commercial
7.24 facilities, industrial facilities, and facilities
7.25 owned by community-based nonprofit
7.26 organizations established under section
7.27 501(c)(3) of the Internal Revenue Code of
7.28 1986, receiving energy from a utility that
7.29 provides natural gas or electric services for
7.30 customers within the utility's service area.
7.31 Program financing must include a revolving
7.32 loan component. Money may also be used
7.33 to improve the energy efficiency of biofuel
7.34 facilities and displace fossil fuel energy
7.35 inputs with energy derived from renewable
7.36 resources via anaerobic digestion, biomass

8.1 gasification, or other technologies, or for
8.2 projects using river water or geothermal
8.3 energy in an integrated system for cooling,
8.4 heating, and generating electricity. Projects
8.5 under this paragraph are subject to local
8.6 approval. Grant recipients may use up to
8.7 two percent of the grant for the costs of
8.8 administration of the commercial-industrial
8.9 program. Grant recipients may take actions
8.10 and enter into agreements necessary to
8.11 develop and implement a program under this
8.12 paragraph. A utility participating through
8.13 its conservation improvement program
8.14 is entitled to claim the energy savings
8.15 attributable to its participating investment
8.16 toward its energy-savings goal established
8.17 in Minnesota Statutes, section 216B.241.
8.18 Priority must be given to energy efficiency
8.19 improvements that achieve the following
8.20 objectives:

- 8.21 (1) reduction in total energy use and energy
8.22 costs of facilities;
8.23 (2) improvement in the economic
8.24 competitiveness of facilities; and
8.25 (3) creation or retention of jobs at improved
8.26 facilities.

8.27 The commissioner of commerce shall report
8.28 to the NextGen Energy Board established in
8.29 Minnesota Statutes, section 41A.105, on the
8.30 grants made under this paragraph.

8.31 **(g) Energy Efficiency and Renewable Energy**
8.32 **Outreach**

1,000,000

8.33 For a grant to the organization established
8.34 under Minnesota Statutes, section 216C.385,
8.35 to develop and conduct a statewide

9.1 door-to-door campaign to identify two
9.2 percent of homeowners in this state to
9.3 implement energy efficiency and renewable
9.4 energy projects. The organization shall,
9.5 in its planning, training, and hiring, work
9.6 with a broad-based coalition of 50 or
9.7 more groups. The coalition must have the
9.8 capacity to develop and conduct outreach
9.9 programs that will connect low-income
9.10 persons, including women and persons
9.11 of color, with opportunities to have their
9.12 homes audited for energy efficiency and
9.13 weatherized. The coalition must use paid
9.14 and volunteer youth and seniors from local
9.15 communities to perform the outreach. When
9.16 conducting the door-to-door campaign, the
9.17 organization shall identify itself, and specify
9.18 why the data are being collected and the
9.19 purposes for which the data will be used.
9.20 Data collected under this appropriation are
9.21 classified as private data on individuals as
9.22 defined in Minnesota Statutes, section 13.02,
9.23 subdivision 12. As a condition of receiving
9.24 a grant, the organization must agree to treat
9.25 data that are collected as private data on
9.26 individuals. An individual may consent
9.27 to the release of private data for specified
9.28 purposes and subject to qualifications related
9.29 to residential energy programs funded with
9.30 federal stimulus money.

9.31 **(h) Solar Energy Installation**

7,000,000

9.32 For grants to increase the installation of
9.33 solar energy projects in this state. Of
9.34 this amount, at least \$3,000,000 must be
9.35 used for concentrated installation of large
9.36 and small-scale solar projects, including

10.1	<u>innovative storage technology, located in</u>	
10.2	<u>the proposed light-rail central corridor and</u>	
10.3	<u>nearby low-income neighborhoods in cities</u>	
10.4	<u>that have been designated solar cities by</u>	
10.5	<u>the United State Department of Energy to</u>	
10.6	<u>demonstrate and research grid, cost, and</u>	
10.7	<u>technical impacts of highly concentrated</u>	
10.8	<u>solar projects. The remaining amounts</u>	
10.9	<u>allocated must be used for solar projects,</u>	
10.10	<u>including use of the solar rebate program,</u>	
10.11	<u>statewide.</u>	
10.12	<u>A contract, grant, loan, or other financial</u>	
10.13	<u>assistance for solar photovoltaic installations</u>	
10.14	<u>must:</u>	
10.15	<u>(1) require payment at the prevailing wage</u>	
10.16	<u>rate as defined in Minnesota Statutes, section</u>	
10.17	<u>177.42;</u>	
10.18	<u>(2) require that the installation of all listed</u>	
10.19	<u>electrical equipment is performed by licensed</u>	
10.20	<u>electrical contractors in compliance with</u>	
10.21	<u>Minnesota Statutes, chapter 326B; and</u>	
10.22	<u>(3) give preference to projects that will be</u>	
10.23	<u>installed by licensed electrical contractors</u>	
10.24	<u>with employees who have obtained an</u>	
10.25	<u>installer's certification from a nationally</u>	
10.26	<u>recognized solar photovoltaic certification</u>	
10.27	<u>body or who have employees that are</u>	
10.28	<u>enrolled in a certification course.</u>	
10.29	<u>(i) Government Building Renovation</u>	<u>13,000,000</u>
10.30	<u>To renovate local government and school</u>	
10.31	<u>district buildings under section 5 and state</u>	
10.32	<u>government buildings under section 6.</u>	
10.33	<u>(j) Evaluating Energy Efficiency</u>	<u>822,000</u>

11.1 For grants to evaluate energy-saving
11.2 equipment, research, and processes that
11.3 will help the state of Minnesota reach its
11.4 renewable energy and energy savings goals.
11.5 The commissioner shall award grants to
11.6 public and nonprofit institutions for eligible
11.7 projects, including, but not limited to,
11.8 projects that:
11.9 (1) develop a solar rating and certification
11.10 program to test, rate, and certify the
11.11 performance of equipment and devices that
11.12 use solar energy;
11.13 (2) apply research at Minnesota State
11.14 University, Mankato, in renewable energy,
11.15 including residential-scale biomass, and
11.16 energy efficiency to aid the transfer of
11.17 technology from outside of the United States
11.18 to Minnesota, and to support technology
11.19 commercialization from companies located
11.20 in Minnesota; and
11.21 (3) develop an advanced energy-efficiency
11.22 center that will conduct energy-efficiency
11.23 testing and coordinate other energy-efficiency
11.24 efforts with state agencies, educational
11.25 institutions and programs, and public
11.26 and private organizations to provide
11.27 energy-related services.
11.28 **Subd. 4. Energy Efficiency and Conservation**
11.29 **Block Grant Programs**
11.30 **(a) Energy Efficiency and Conservation**

6,386,000

11.31 For a competitive grant program for
11.32 local units of government not otherwise
11.33 receiving direct federal energy efficiency and
11.34 conservation block grant money. The Office
11.35 of Energy Security shall make grants to cities

- 12.1 to enhance energy efficiency and reduce
- 12.2 energy use through:
- 12.3 (1) planning;
- 12.4 (2) consultant services;
- 12.5 (3) energy audits;
- 12.6 (4) implementing energy-efficient building
- 12.7 codes;
- 12.8 (5) energy-efficient renovations;
- 12.9 (6) energy-efficient street lighting; and
- 12.10 (7) installation of renewable energy devices
- 12.11 used in public buildings.
- 12.12 **(b) Government Building Renovation** 4,258,000
- 12.13 To renovate local government and school
- 12.14 district buildings under section 5 and state
- 12.15 government buildings under section 6.
- 12.16 **Subd. 5. Administrative Costs, Public**
- 12.17 **Information, and Contracting Requirements**
- 12.18 Unless a lower percentage is specified under
- 12.19 federal requirements, the Office of Energy
- 12.20 Security may use no more than five percent
- 12.21 of the federal grants authorized under the
- 12.22 American Recovery and Reinvestment Act
- 12.23 of 2009 for the cost of developing and
- 12.24 administering the programs funded by this
- 12.25 act. Administrative costs include:
- 12.26 (1) the personnel costs for new and existing
- 12.27 employees administering the programs for
- 12.28 the Office of Energy Security;
- 12.29 (2) the development of grant applications,
- 12.30 information, data collection, and other
- 12.31 federal and state reporting requirements to
- 12.32 administer the programs;

13.1 (3) the education and training of local and
13.2 other nonstate personnel used to administer
13.3 programs;

13.4 (4) the development and implementation
13.5 of a telephone hotline and Web site that is
13.6 focused solely on assisting the public and
13.7 local units of government in accessing grant
13.8 information and applications for competitive
13.9 grants; the telephone hotline and Web site
13.10 shall be implemented and operating by July
13.11 15, 2009; and

13.12 (5) the dissemination of information about
13.13 contract and employment opportunities
13.14 generated by the programs. Particular effort
13.15 must be made to publicize employment,
13.16 job training, home energy auditing,
13.17 weatherization, outreach, and other
13.18 opportunities to community organizations,
13.19 nongovernmental organizations, and media
13.20 outlets that target disadvantaged groups,
13.21 including, but not limited to, low-income,
13.22 rural, tribal communities, and communities
13.23 of color.

13.24 Contracts funded in whole or in part by this
13.25 act must ensure that bidding contractors
13.26 are qualified and participate in available
13.27 apprenticeship and training programs.
13.28 Bidding for contracts must, to the extent
13.29 practicable, use the process established in
13.30 Minnesota Statutes, chapter 16C.

13.31 Sec. 4. **[216C.147] SCHOOL DISTRICT AND LOCAL GOVERNMENT**
13.32 **RENEWABLE ENERGY GRANT PROGRAM.**

13.33 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in
13.34 this subdivision have the meanings given them.

14.1 (b) "Local government" means a home rule charter or statutory city, county, regional
14.2 government, park district, port authority, or town.

14.3 (c) "Renewable energy systems" mean solar thermal water heating, solar electric or
14.4 photovoltaic equipment, wind energy conversion systems of 3.3 megawatts nameplate
14.5 capacity or less, heating and cooling applications using geothermal energy, and combined
14.6 heat and power systems fueled primarily by biomass, not including mixed municipal
14.7 solid waste or refuse-derived fuel from mixed municipal solid waste, or other renewable
14.8 energy sources.

14.9 Subd. 2. **Program established.** The commissioner of commerce shall develop,
14.10 implement, and administer a school district and local government renewable energy
14.11 system grant program under this section.

14.12 Subd. 3. **Grant purposes.** The commissioner may make grants to school districts
14.13 and local government to finance the purchase and installation of renewable energy systems.

14.14 Subd. 4. **Technical standards.** The commissioner shall determine technical
14.15 standards for renewable energy systems to qualify for grants under this section.

14.16 Subd. 5. **Grant proposals.** At least once a year, the commissioner shall publish in
14.17 the State Register a request for proposals from local governments and school districts for a
14.18 grant under this section. Within 45 days after the deadline for receipt of proposals, the
14.19 commissioner shall select grant proposals based on the following criteria:

14.20 (1) the reliability and cost-effectiveness of the renewable technology to be installed
14.21 under the proposal, including integration of energy storage;

14.22 (2) the extent to which the proposal effectively integrates with the conservation
14.23 and energy efficiency programs of the energy utilities serving the local government or
14.24 school district;

14.25 (3) the extent to which the local government or school district has maximized other
14.26 cost-effective energy efficiency and conservation improvements;

14.27 (4) the total life-cycle energy use and greenhouse gas emissions reductions per
14.28 dollar of installed cost;

14.29 (5) the geographic distribution of grant recipients throughout the state;

14.30 (6) the percentage of total project cost requested; and

14.31 (7) other criteria the commissioner may determine to be necessary and appropriate.

14.32 Subd. 6. **Educational programming.** A school district must integrate information
14.33 about the renewable energy system for which a grant is received under this section in its
14.34 educational programming.

14.35 Subd. 7. **Minnesota product preference.** A contract for the purchase of renewable
14.36 energy systems or related services to be paid from grant money provided under this section

must be awarded to the best value bidder having its principal place of business in this state or who uses a majority of parts manufactured or produced in this state in the assembly of a final product, unless the local government or school district grantee determines that it would be inconsistent with the public interest, the cost would be unreasonable, or the products or materials of the class or kind to be used are not produced or manufactured in this state in commercial quantities and of a satisfactory quality.

Subd. 8. **Grant terms.** The maximum grant to a school district or local government under this section may not exceed the greater of 50 percent of the total project cost for solar projects, 20 percent of the total project cost for wind projects, or for wind projects of less than 40 kilowatts of nameplate capacity or solar projects of less than 100 kilowatts, a maximum grant of \$10,000.

Sec. 5. LOCAL GOVERNMENT AND SCHOOL DISTRICT BUILDING RENOVATIONS.

The commissioner of commerce must coordinate the use of stimulus money with the public building enhanced energy-efficiency program under Minnesota Statutes, section 216C.43. The commissioner shall prioritize buildings identified as high energy users for improvements such as lighting upgrades, window repair and replacement, energy recommissioning, and other cost-effective energy projects that are ready for immediate implementation. Energy-efficiency conservation block grants and state energy program money may be used to advance local public building enhanced energy-efficiency program projects by either increasing the net operating savings during the prepayment period or by decreasing the number of years for payback of energy improvement investments. State energy plan money may not be used to pay more than 25 percent of the total project cost, with the balance of funding provided by the local governmental unit or school district, the local public building enhanced energy-efficiency program under Minnesota Statutes, section 216C.43, or another local governmental unit or school district financing program in conjunction with utility conservation investment program money to the maximum extent possible. The commissioner shall coordinate with the commissioner of education to prioritize school district projects, consistent with the principles of statewide geographic distribution of projects, optimized energy savings, and an improved learning environment for school children.

Sec. 6. STATE GOVERNMENT BUILDING RENOVATIONS.

The commissioner of commerce, in consultation with the commissioner of administration, shall develop a joint plan and procedures to select, fund, and implement

state government building renovation projects using federal stimulus money. The joint plan and procedures shall prioritize buildings identified as high energy users for such improvements as lighting upgrades, window repair and replacement, energy recommissioning, and other cost-effective energy projects that are ready for immediate implementation. Energy-efficiency conservation block grants and state energy program money may be used to advance public building enhanced energy-efficiency program projects under Minnesota Statutes, section 16B.32, by either increasing the net operating savings during the repayment period or decreasing the number of years for payback of energy improvement investments, provided that state energy plan money may not be used to pay more than 25 percent of the total project cost, with the balance of funding provided through the state public building enhanced energy-efficiency program, or other financing, including conservation investment program money to the maximum extent possible.

Grants under this section may be used to develop a system and procedures for setting energy reduction goals for state buildings; to automate utility bill data and analysis; and to develop a system for reporting monthly energy use relative to these goals. Installation of individual metering devices for separate buildings is an allowable use of money under this section. By January 15, 2011, and annually thereafter, the director of the Office of Energy Security, in consultation with the commissioner of administration, must issue a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over energy policy and finance on the progress toward these goals.

Sec. 7. **APPLIANCE REPLACEMENT.**

To the extent consistent with federal law, the commissioner of commerce may use federal stimulus money to develop a program that supplements and enhances the rebates provided to residential utility customers through a conservation investment program.

Sec. 8. **TRAINING AND WORKFORCE DEVELOPMENT.**

Subdivision 1. **Home energy auditors and technicians.** The director of the Office of Energy Security shall oversee training of energy auditors necessary for energy projects using federal stimulus money and may spend federal stimulus money for that purpose. Technical skills training must include insulation, air sealing, and mechanical work.

Subd. 2. **Energy manager and building operator training.** The director of the Office of Energy Security shall coordinate and monitor training and certification of energy managers, building operators, and other energy professionals necessary for energy projects using federal stimulus money and may spend federal stimulus money for that purpose.

Training strategies must be designed to meet the wide range of facilities managers and the wide range of buildings sizes and types.

Subd. 3. **Training activity guidelines.** In addition to training individuals already employed in implementing energy programs, the director shall recruit individuals for training to perform work in energy projects using federal stimulus money who are unemployed, especially targeting unemployed or underemployed individuals in construction trades and crafts, and communities experiencing disproportionately high rates of unemployment, including, but not limited to, low-income, rural, tribal communities, and communities of color. The director shall use the full capacity of current training providers, including, but not limited to, state colleges and universities, opportunities industrialization centers, skilled trades labor unions, and nonprofit organizations with historic expertise in energy efficiency. Training may include an on-the-job component where the trainee goes to job sites with trained crews. If the director determines that outreach efforts are necessary for the weatherization program, the director shall, at least in part, use paid and volunteer youth to perform the outreach. The director shall ensure that training money is made available to persons who otherwise would be unable to afford the training.

Sec. 9. OFFICE OF ENERGY SECURITY; LOCAL GOVERNMENT ASSISTANCE.

The director of the Office of Energy Security shall designate personnel and may contract to provide advice and assistance to local units of government receiving federal stimulus money, particularly smaller cities. The director shall develop, by contract or otherwise, strategies that local units of government can use to obtain maximum conservation and economic development returns from federal stimulus money. The director shall work with associations of local governmental units to notify local governments of the availability of advice under this section.

Sec. 10. COMPETITIVE ENERGY GRANTS; STATE AND LOCAL GOVERNMENT AUTHORIZATION.

All state agencies and local units of government, in addition to any other authority, are authorized to engage in activities individually and in cooperation with other public or private entities to apply for, accept, and spend competitive grants made available under the American Recovery and Reinvestment Act of 2009, subject to Minnesota Statutes, section 3.3005.

Sec. 11. **CONSERVATION IMPROVEMENT PLANS; FEDERAL STIMULUS PLAN.**

The commissioner of commerce must consider the impact of federal stimulus money in the administration of the conservation improvement program (CIP) under Minnesota Statutes, section 216B.241. The commissioner may amend plans currently in effect and approve plans to accommodate federal stimulus money.

Sec. 12. **ACCOUNTABILITY AND TRANSPARENCY REPORTING.**

The director of the Office of Energy Security, after compiling information supplied by the commissioners of administration, education, and employment and economic development, and the Office of Higher Education, shall report on the progress of the programs funded by this act to the house of representatives and senate committees with jurisdiction over energy finance and workforce development policy by September 1, 2009, January 15, 2010, April 1, 2010, and September 1, 2010. The report shall include a complete accounting of all federal stimulus money spent on the programs funded to the extent allowable by federal law, including, but not limited to:

(1) the specific projects funded, including the location, building owner, and project manager;

(2) for weatherization projects, the number of units weatherized, including number of rental units weatherized, energy usage information, income data, and type, cost, and funding source of the weatherization measure installed;

(3) the number of jobs retained or created by each project, including data on hiring from communities experiencing disproportionately high rates of unemployment, including, but not limited to, low-income, rural, tribal communities, and communities of color;

(4) the total calculated and actual energy savings for each project;

(5) the remaining balances in each stimulus account;

(6) the nonstimulus money leveraged by stimulus money for each project;

(7) the training courses provided, including the location and provider of courses offered, the funding source for each training course, and the total number of trainees; and

(8) compliance with state prevailing wage, veterans, and disadvantaged business enterprise requirements.

The reports shall be made available to the public on the Office of Energy Security Web site.

Sec. 13. **COMPETITIVE ENERGY ACTIVITIES.**

The director of the Office of Energy Security shall coordinate state and local government efforts to obtain competitive grants for energy-related purposes authorized

19.1 by the American Recovery and Reinvestment Act of 2009, including, without
19.2 limitation, grants from the Office of Electricity Delivery and Energy Reliability for grid
19.3 modernization and related technologies. The director must consult with affected public
19.4 or private entities, including utilities, to identify grant opportunities and timely develop
19.5 grant applications for those opportunities. The director may assign staff and contract with
19.6 public or private third parties to assess grant opportunities, prepare grant applications, and
19.7 participate in the grant process.

19.8 Sec. 14. **EFFECTIVE DATE.**

19.9 Sections 1 to 13 are effective the day following final enactment.